



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

March 31, 2004

Robert P. Jornayvaz III, Manager  
Intrepid Wendover Potash LLC  
700 17<sup>th</sup> Street, Suite 1700  
Denver, Colorado 80202

**ATTENTION: *Jamie Whyte***

Subject: Replacement CD Cover Letter, Intrepid Wendover Potash LLC,  
Bonneville Plant/Reilly Wendover, M/045/002, Tooele County, Utah

Dear Mr. Jornayvaz:

On March 31, 2004, the Division Director signed and executed the permit transfer document for the Reilly Wendover solar evaporation project. He also signed the original cover letter that accompanied the \$49,100 replacement reclamation surety (certificate of deposit). We discovered that we had inadvertently left off the School and Institutional Trust Lands Administration (SITLA) as another beneficiary on the CD cover letter that Mr. Jornayvaz and US Bank signed. We contacted the Bank and informed them that SITLA needed to be included; which has been done. SITLA informed us that because we are holding the surety, they do not need to sign the CD cover letter. In an unexpected last minute decision by the BLM state office, they also advised us that they did not need to sign this cover letter. As a result of these changes, we have prepared another original without their signature block.

Please arrange to have the appropriate signature affixed to this CD cover letter by your corporation and US Bank. You also need to include your Tax ID number under your signature. We have attached copies of the original dated signatures from the 1<sup>st</sup> cover letter. Please sign and date the new letter with the same dates as you did on the 1<sup>st</sup> cover letter and return the original to our office. Please keep a signed copy for your records and also have the Bank keep a copy.

Thank you for your patience and assistance in finalizing this transaction. If you have any questions or concerns regarding this letter, please contact me at (801)

Robert P. Jornayvaz  
Page 2 of 2  
M/045/002  
March 31, 2004

538-5286. We look forward to working with you and your staff in the future as the new operator of this mining facility.

Sincerely,

A handwritten signature in black ink that reads "D. Wayne Hedberg". The signature is written in a cursive, flowing style.

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

DWH jb  
Enclosure. Revised CD cover letter  
cc Blaine Rawson, Holme Roberts & Owen  
O:\M045-Tooele\M0450002 - bonneville plant-reilly\Final\CDcoverltr2.doc



OLENE S. WALKER  
Governor  
GAYLE F. McKEACHNIE  
Lieutenant Governor

State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas & Mining

ROBERT L. MORGAN  
Executive Director

LOWELL P. BRAXTON  
Division Director

March 25, 2004

U S Bank  
918 17<sup>th</sup> Street  
Denver, Colorado 80202  
(303) 585-9208

Attention: Mark Thompson, Vice President, Relationship Manager

Re: Reclamation Surety, Certificate of Deposit for Intrepid Wendover Potash, LLC  
Bonneville Plant – Reilly Wendover Mine Site, M/045/002, Tooele County, Utah  
Certificate of Deposit no. \_\_\_\_\_ Principal Amount \$49,100

This letter describes the mutually agreed upon instructions of the below signed parties to U S Bank (“Bank”), regarding the control, redemption, and release of Bank’s above-described certificate of deposit (“CD”), which is being used as a surety to guarantee the availability of reclamation funds for the Bonneville Plant – Reilly Wendover mine site (“Mine Site”), Tooele County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$49,100 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (“Division”) upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by Intrepid Wendover Potash, LLC a limited liability corporation, (“Owner”), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining, the U S Department of Interior, Bureau of Land Management (“USDOI – BLM”) and the School and Institutional Trust Lands Administration (“SITLA”), and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division, and the authorized officers of USDOI – BLM and SITLA.

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining, and the authorized officers of USDOl - BLM and SITLA to the Bank. Upon the instruction and demand of the Director of the Division and authorized officers of USDOl – BLM and SITLA, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owner agrees and irrevocably instructs Bank that neither the Owner, nor any other person claiming an ownership interest in the CD which is derived from the Owner, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD.

Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owner's control, or if Owner does not instruct the Bank, the accrued interest shall be reinvested in the CD.

If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division and the authorized officers of USDOl - BLM and SITLA may redeem the CD.

**Release:**

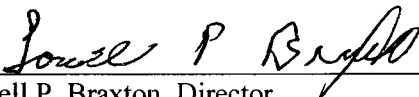
The bank shall release the CD only upon the written instruction of the Director of the Division, and the authorized officers of USDOl - BLM and SITLA to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owner, or their legal successors-in-interest.

**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner as the Owner may instruct the Bank, or 2) shall be reinvested in the CD until such time as the Owner may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$49,100. All tax liabilities for accrued interest shall remain the sole responsibility of the Owner.

**Bank will not be held liable for any dispute between the parties.**

Agreed Upon By:

  
\_\_\_\_\_  
Lowell P. Braxton, Director  
**Utah Division of Oil, Gas & Mining**

Date: 2/3/09

\_\_\_\_\_  
Robert Jornayvaz, Manager  
**Intrepid Wendover Potash, LLC**  
Tax ID Number: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Mark Thompson, VP Relationship Manager  
**U S Bank**

Date: \_\_\_\_\_

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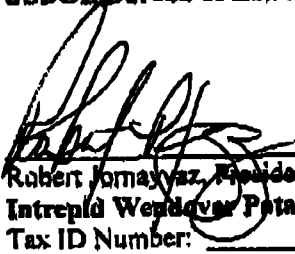
Agreed Upon By:

\_\_\_\_\_  
Lowell P. Braxton, Director  
Utah Division of Oil, Gas & Mining

Date: \_\_\_\_\_

\_\_\_\_\_  
Robert Lopez, Branch Chief of Minerals Adjudication  
USDOL Bureau of Land Management

Date: \_\_\_\_\_

  
\_\_\_\_\_  
Robert Jomayaz, President  
Intrepid Westover Potash, LLC  
Tax ID Number: \_\_\_\_\_

Date: 3/26/04

\_\_\_\_\_  
Mark Thompson, SVP Relationship Manager  
U S Bank

Date: \_\_\_\_\_

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Agreed Upon By:

\_\_\_\_\_  
Lowell P. Braxton, Director  
Utah Division of Oil, Gas & Mining


Date: \_\_\_\_\_

\_\_\_\_\_  
Robert Lopez, Branch Chief of Minerals Adjudication  
USDOJ, Bureau of Land Management

Date: \_\_\_\_\_

\_\_\_\_\_  
Robert Jorayvaz, President  
Intrepid Wendover Potash, LLC  
Tax ID Number: \_\_\_\_\_

Date: \_\_\_\_\_

  
\_\_\_\_\_  
Mark Thompson, ~~SE~~ Relationship Manager  
U S Bank Mark E. Thompson  
Vice President

Date: 3/26/04

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*COPY OF original fax*  
 002  
 M/045/002

**CERTIFICATE OF DEPOSIT  
 AGREEMENT & RECEIPT**

This receipt is issued to:

**INTREPID WENDOVER POTASH LLC  
 FBO ST OF UTAH, DIVISION OF OIL & GAS  
 & MINING & BLM & SITLA  
 BONNEVILLE/RIELLY WENDOVER M/045/002  
 700 17TH ST STE 1700  
 DENVER CO 80202-3560**

Account Number: \_\_\_\_\_

Branch/Bank: 215/288

Branch Name: Downtown Champa

Customer TIN/SSN: 200818774

**RECEIVED**

**MAR 26 2004**

DIV OF OIL GAS & MINING

Date Opened: 03/24/2004

Interest Rate: .90%

Deposit Amount: \$49,100.00

Annual Percentage Yield: .90%

Total Balance: \$49,100.00

Your account will mature in: 12 months.

Your account will mature on:

Your certificate will

- ☒ automatically renew at maturity  
☐ not automatically renew upon maturity

Interest will be compounded

- ☒ daily  
☐ at maturity  
☐ annually  
☐ quarterly  
☐ semi-annually  
☐ monthly

Interest will be paid:

- ☒ at maturity  
☐ annually  
☐ quarterly  
☐ semi-annually  
☐ monthly

Interest will be

- ☐ added to the principal (capitalized)  
☒ transferred to U.S. Bank account no.  
☐ mailed to (insert mailing name and address)



Member FDIC



**CERTIFICATE OF DEPOSIT AGREEMENT**  
**Truth-in-Savings Disclosure**

- The interest rate and annual percentage yield for your account are indicated on the front of this document. You will be paid this rate until the maturity date of the certificate. The annual percentage yield assumes interest remains on deposit until maturity. A withdrawal will reduce earnings. The interest rate on your account may be adjusted upon renewal. Interest begins to accrue on the business day you deposit non-cash items (e.g., checks). We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.
- The minimum amount required to open a certificate of deposit is \$500.
- If this account will automatically renew upon maturity, you will have a grace period of ten (10) calendar days from the maturity date to withdraw funds without penalty. If the amount withdrawn is deposited into another time certificate at this bank within that ten (10) day period, interest will be paid during the ten (10) period at the rate applicable to the new certificate. The bank may upon not less than 30 days written notice elect to call this certificate for payment on a maturity date.
- This certificate is an agreement to keep funds on deposit with the bank until the current maturity date. Except as required by law, withdrawal prior to maturity will be permitted only with the consent of the bank which may only be given at the time of withdrawal.
- A penalty may be imposed if you withdraw any of the deposited funds before the maturity date. If your account has an original maturity of six months or less, the penalty will be the lesser of 1) three month's interest on the amount withdrawn; or 2) all interest that would have been earned on the amount withdrawn had the funds remained on deposit until maturity. If your account has an original maturity of more than six months, the penalty will be one half the interest that would have been earned on the amount withdrawn had the funds remained on deposit until maturity.
- You may not make deposits into your account until the maturity date. You may make partial withdrawals from your account prior to maturity; however, except as prohibited by law, we will impose the early withdrawal penalty on the amount withdrawn. The minimum withdrawal amount is \$500. If a withdrawal is made, your remaining balance must meet minimum opening balance requirements. Partial withdrawals are not allowed on accounts with balances \$100,000 and over.
- The deposit is not transferable. This certificate may not be paid to any person other than the named depositor(s). Any person requesting payment of this certificate will be required to establish to the satisfaction of the bank, that (s)he is the depositor.
- Any pledge on this account (to which U.S. Bank has agreed), must first be satisfied before the rights of any joint account survivor or trust account beneficiary become effective. For example, if one joint tenant pledges the account for payment of a debt and then dies, the surviving joint tenant's rights to this account are subject first to the payment of the debt.
- The following fee is applicable to all U.S. Bank accounts, including CDs and IRAs: \$20 per hour research fee.
- The following fees are applicable to all U.S. Bank IRAs: \$10 annual fee if the IRA plan balance is less than \$5,000 (\$1,000 for Education IRA plans) on May 1<sup>st</sup>. ~~This fee will be assessed against the~~ account within the IRA plan that earns the lowest annual interest rate on the assessment date. An external transfer fee of \$30 will be assessed per plan upon transferring IRA funds to another institution. A \$30 closing fee will be assessed when an IRA plan is closed.
- Please review the account terms and conditions brochure for further information that applies to Certificates of Deposit.



Member FDIC